

SURFACE TRANSPORTATION BOARD
SECTION OF ENVIRONMENTAL ANALYSIS

EO-939

CL

POST ENVIRONMENTAL ASSESSMENT

ENVIRONMENTAL RECOMMENDATIONS IN
STB DOCKET NO. AB-398 (Sub-No. 8X)

JUNE 2, 2008

ABANDONMENT TYPE

The time for comments on the Environmental Assessment (EA) has expired in this:

() Notice of Exemption (X) Petition for Exemption () Regulated Abandonment

() **NO NEW COMMENTS WERE RECEIVED**

(X) **NEW COMMENTS WERE RECEIVED**

SEA served an Environmental Assessment (EA) for this proceeding on April 28, 2008 for public review and comment. In the EA, SEA recommended one environmental condition and concluded that the proposed action would not significantly impact the quality of the human environment.

Comments on the EA

SEA received one comment from the Tulare County Association of Governments (TCAG) after issuance of the EA (see attached). No new conditions are recommended.

TCAG indicates that abandonment of the line proposed in this proceeding would isolate two rail spurs: 1) the 30.57 mile rail spur proposed for abandonment by the San Joaquin Valley Railroad (SJVR) in AB-398 (Sub-No. 7X); and 2) a five mile spur to Ultra. TCAG states that the impacts of isolating both spurs should have been addressed in the EA for this proceeding. However, the environmental impacts of abandoning the 30.57 mile of line have already been addressed in the EA in AB-398 (Sub-No. 7X). Moreover, the five mile track in question is not part of SJVR's action before the Board. In the event the five mile track is subject to Board jurisdiction, the environmental impacts of the abandonment of that track would be addressed at that time.

TCAG also indicates that rail traffic information collected prior to SJVR's imposition of surcharges should be used in determining increases in truck traffic. However, SEA uses recent rail traffic information in calculating rail to truck conversion as it most accurately reflects the current conditions including any environmental impacts.


Finally, TCAG states that consideration should be made regarding the combined future air quality impacts of the proposed abandonment in this proceeding with those that would occur from abandonment of the 30.57 mile line in AB-398 (Sub-No. 7X). TCAG suggests that the increase in truck traffic that could result from the abandonment of both lines would have significant impacts on the area's already poor air quality. However, if the impacts of the proposed actions are calculated together for the year 2007, the amount of truck traffic previously

calculated in the EA for this proceeding (632 truck trips assuming an empty backload) would be exactly the same as no traffic moved along the 30.57 line in 2007 (see EA for AB-398 (Sub-No.7X). This increase in truck traffic would not exceed the Board's thresholds of more than ten percent of the average daily traffic (ADT) or 50 vehicles a day on any affected road segment. See 49 CFR 1105.7(e)(5)(c).

Conclusions

The EA comment period has ended. Accordingly, SEA recommends that the following condition previously recommended in the EA should be imposed upon any decision granting abandonment authority:

1. San Joaquin Valley Railroad Authority (SJVR) shall retain its interest in and take no steps to alter the historic integrity of all historic properties including sites, buildings, structures, and objects within the project right-of-way (the Area of Potential Effect) that are eligible for listing or listed in the National Register of Historic Places until the Section 106 process of the National Historic Preservation Act, 16 U.S.C. 470f, has been completed. SJVR shall report back to the Section of Environmental Analysis regarding any consultations with the State Historic Preservation Office, any other Section 106 consulting parties that have been identified, and the public. SJVR may not file its consummation notice or initiate any salvage activities related to abandonment (including removal of tracks and ties) until the Section 106 process has been completed and the Board has removed this condition.

SEA CONTACT: [Catherine Glidden, 202-245-0293] 

EE - 7340

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May 27, 2008

Catherine Glidden
Surface Transportation Board, Case Control Unit
395 E Street SW
Washington, DC 20423

Dear Ms. Glidden:

The Tulare County Association of Governments (TCAG) respectfully submits the following comments regarding the Surface Transportation Board's (STB) Environmental Assessment (EA) of STB Docket NO. AB-398 (Sub-No. 8X):

- The EA makes no mention of the 30.57 miles of rail proposed to be abandoned in STB Docket NO. AB-398 (Sub-No. 7X). The only rail access to the 30.57 miles of line (in addition to a 5 mile spur to Ultra under separate ownership off of this line) is through the 9.2 miles of line proposed to be abandoned in Sub-No. 8X. The abandonment of the 30.57 miles of line in Sub-No. 7X should not be assumed when addressing the environmental impacts of the proposed abandonment of the 9.2 miles of line in Sub-No. 8X. Any impacts associated with the isolation of the 30.57 miles of line south of Strathmore and to the 5 mile spur to Ultra should be addressed in the EA for Sub-No. 8X. >
- Rail traffic before the San Joaquin Valley Railroad's (SJVR) first imposition of a surcharge (June, 2000) was not included in their abandonment filing and is not addressed in SJVR's environmental report. Without knowing what the rail traffic was before the imposition of the original surcharge (which we believe was instituted to drive away business for the purpose of eventual abandonment), the STB can not adequately determine if the increase in truck traffic would not exceed the average daily threshold (ADT) limits pursuant to 49 CFR 1105.7(e)(5)(C). Traffic originating south (in Sub-No. 7X plus the Ultra spur line) of the proposed abandonment should also be considered in the Sub-No. 8X EA since the abandonment of this line would leave over 35 miles of line isolated upstream (again, abandonment of the 30.57 miles of line in Sub-No. 7X should not be assumed in addressing impacts of the proposed abandonment in Sub-No. 8X). > p. 10-11

In addition, consideration should be given to the increasing volume on this section of line when determining the effects of abandonment of the line in increasing truck traffic. Tulare Frozen Foods (formerly Lindsay Foods) has increased shipments from 39 cars in 2005 to 79 cars in 2007 and plans to increasing usage even more significantly in the near future (information from Tulare Frozen Foods is attached). It should be noted that Tulare Frozen foods, not coincidentally, is not subject to SJVR's \$950 per railcar surcharge which was imposed on shippers south of the City of Lindsay. > K

- The abandonment's impacts on the future air quality of the area should be given special consideration considering our Valley's standing as the most polluted area in the US next to the Los Angeles Basin. The cumulative impacts of potentially abandoning this line in addition to the isolation of the line to the south (Sub-No. 7X plus the Ultra spur line) should be considered. In addition, with the growing realization of the effects of greenhouse gases on the environment, now is not the time to abandon existing railroad infrastructure. > KC

Information from Tulare Frozen Foods (TFF):

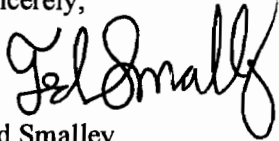
1. Tulare Frozen Foods, LLC replaced Lindsay Foods International, LLC in early January 2008. Since the beginning of February utilization of the rail spur is up by over 100%.
2. With ever increasing energy costs the rail spur is essential for TFF because it allows them to serve markets outside of California that would be cost prohibitive if TFF would be forced to use commercial carriers or a combination of commercial carriers and rail service that originates at another point other than the spur located at TFF.
3. Since February of 2008 TFF has been running the plant 7 days a week two shifts per day. This has resulted in 90 new employment opportunities for line workers, skilled tradesman (electrical, plumbing, refrigeration and general maintenance) and seven hire paying supervisory and secondary management positions.
4. TFF management and its investors have engaged in several meeting with town and county officials to create an economic partnership to increase employment opportunities and economic activity in Lindsay and Tulare County.
5. Currently the 34 acres site is under utilized and management is working on a development plan for an Argo Industrial complex that will utilize the remaining 80% of the site. The first goal has been achieved which is the selection of a site planning and economic feasibility consulting firm to determine the right mix of business to inhabit the industrial park. An active rail spur is essential to the success of this project.
6. TFF management is actively engaged in negotiations with three cold storage warehouse companies to develop a 10,000,000 lb cold storage and freezer facility which will be built adjacent to the existing rail spur. Construction is planned for the fourth quarter of 2008 and will only occur if the rail spur is active and not in jeopardy of being decommissioned.
7. TFF has made an offer and the offer has been accepted to purchase a 40,000,000 lb per year vegetable processor in Oxnard, CA. The transaction will close in May 2008. This will result in over the next 12 months approximately 100 new jobs and the installation of approximately \$3,000,000 to \$4,000,000 of additional processing equipment. The rail spur is essential for this new venture to be a success.
8. TFF is in negotiations with a salad dressing company that will lease space and increase utilization of the current facility. The lease is expected to close in June 2008 and operations are expected to begin in August of 2008. The rail spur is essential for this transaction to close. This will result in the initial employment of 25 additional workers.
9. TFF management has entered into negotiations and employees of the investment company supporting TFF are in Korea now negotiating with the Provincial Government of Jallawondo to engage in an agricultural partnership wherein TFF will become the transit point for organic vegetables co-packing. This will greatly enhance the number of 12 month employment opportunities for residents of Lindsay and Tulare County. TFF will exchange farming technology with the Korean farmers in the province. The initial meetings between TFF, the City of Lindsay and the Korean trade representatives are tentatively scheduled for the latter part of July 2008. The rail spur is essential for this international arrangement to work.

10. Conservatively speaking, as these opportunities are implemented by the current TFF management group, the rail siding may have to be improved to handle up to 10 cars per day. At present utilization rates the rail spur is supporting 10 to 14 rail cars.

11. TFF and its investors have made a significant commitment to Lindsay and Tulare county. The rail spur is essential to their continued investment in our community and the success of the investments made to date.

If you have any questions, please contact Benjamin Giuliani at 559-733-6291. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Ted Smalley". The signature is fluid and cursive, with the first name "Ted" and last name "Smalley" clearly distinguishable.

Ted Smalley
TCAG Executive Director

TS:BG

Attachments:

Tulare Frozen Foods Information